

# Downsizing: Motivations, Processes and Outcomes for Older Australians

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- Population ageing – one of the major policy challenges of the 21<sup>st</sup>C
- Profound impact on social and economic policy (Australian Treasury 2002)
- Important implications for housing and urban policy
- Ageing in place is a key policy strategy – seen as a win/win policy
- But ageing in **what** place?
- Suitability of dwelling stock for ageing in place?
- Under-utilisation/inefficient use of dwelling stock by older Australians? (Judd et al 2010)
- Urban planning policy assumes need for greater diversity in housing types to accommodate demographic change (Major Cities Unit, 2010)
- Meanwhile the vast majority of older people continue to live in 3 or more bedroom suburban dwellings (ABS; Judd et al, 2010)
- No specific data on downsizing available from ABS Census
- Little known about downsizing behaviour amongst older Australians

# The Research Project:

## Downsizing Amongst Older Australians

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- **Funding:** Australian Housing and Urban Research Institute
- **Research Team:** Bruce Judd, Catherine Bridge, Hazel Easthope, and Edgar Liu (assisted by Laura Davy & Toni Adams)
- **Aims:** To understand the how, when, where, what and why of downsizing; the outcomes for older people, and policy implications
- **Methods:**
  - Systematic local and international literature and policy review
  - Analysis of relevant ABS Census and SDAC statistics
  - National survey of 2,815 older people who had moved since turning 50 years of age (43% had downsized)
  - 60 in-depth interviews three states (NSW, Victoria, SA)
  - policy forums in each of the three states
- This presentation will focus on survey and interview findings on the motivations, processes and outcomes for older Australians



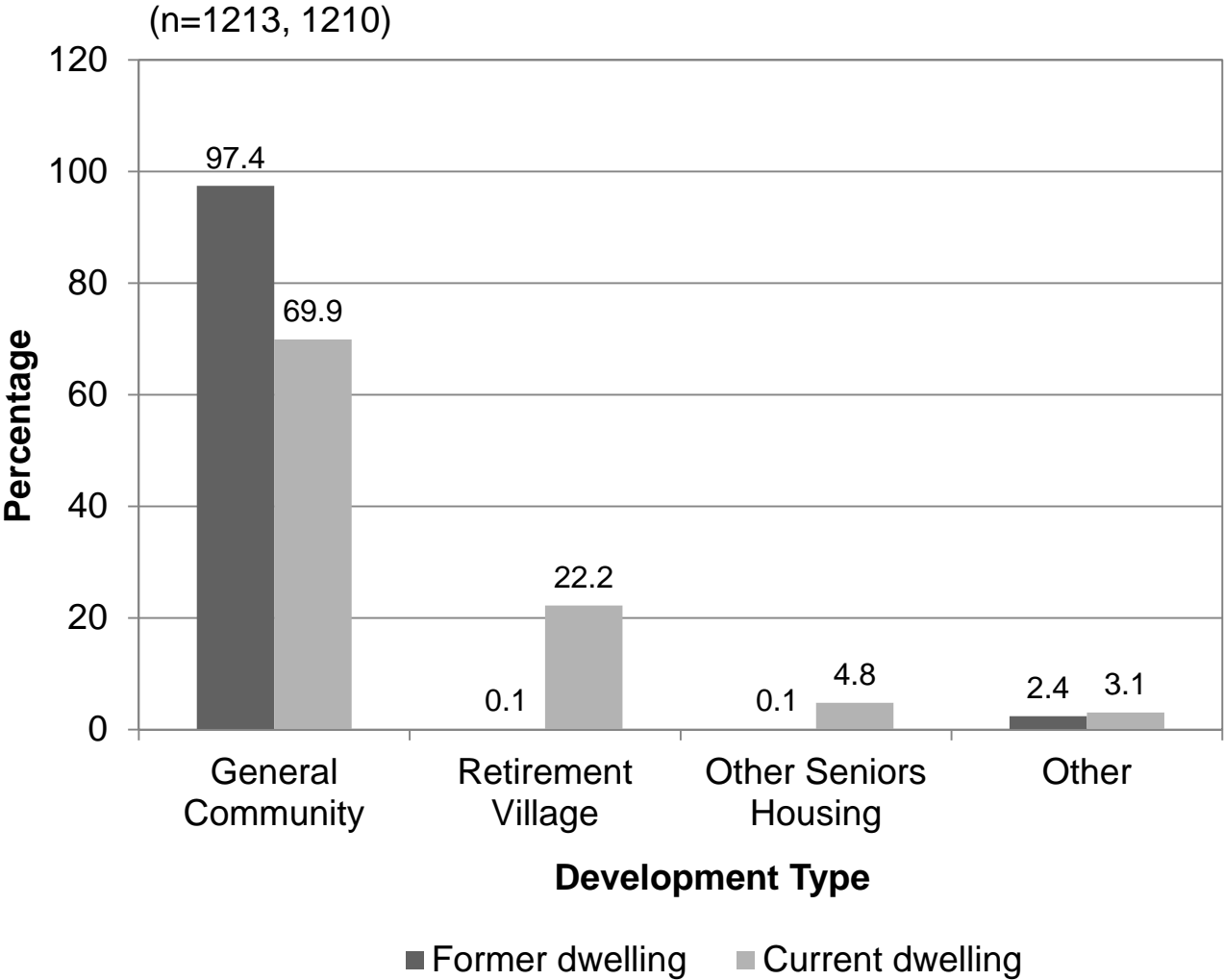
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# The Definitional Problem

- **Narrow definitions**
  - Size of dwelling (no of bedrooms)
  - Consumption of less housing (US Federal Reserve - Lenhert, 2004)
  - But less of what? (rooms, floor area, land, cost?)
- **Broader definitions include:** (Banks et al, 2007)
  - Reduced dwelling size (floor area or number of rooms)
  - Reduced garden/yard size and/or maintenance
  - Value of the dwelling ('downpricing', cashing in housing equity)
  - Reduction of personal possessions (Luborsky, 2011)
- **Our Definition: Downsizing encompasses decreases in:**
  - The number of rooms within the dwelling
  - The area of the dwelling and/or yard/garden
  - The value of the dwelling (Judd et al 2012)
- **No of bedrooms used as a proxy for the survey analysis**

# Survey Results

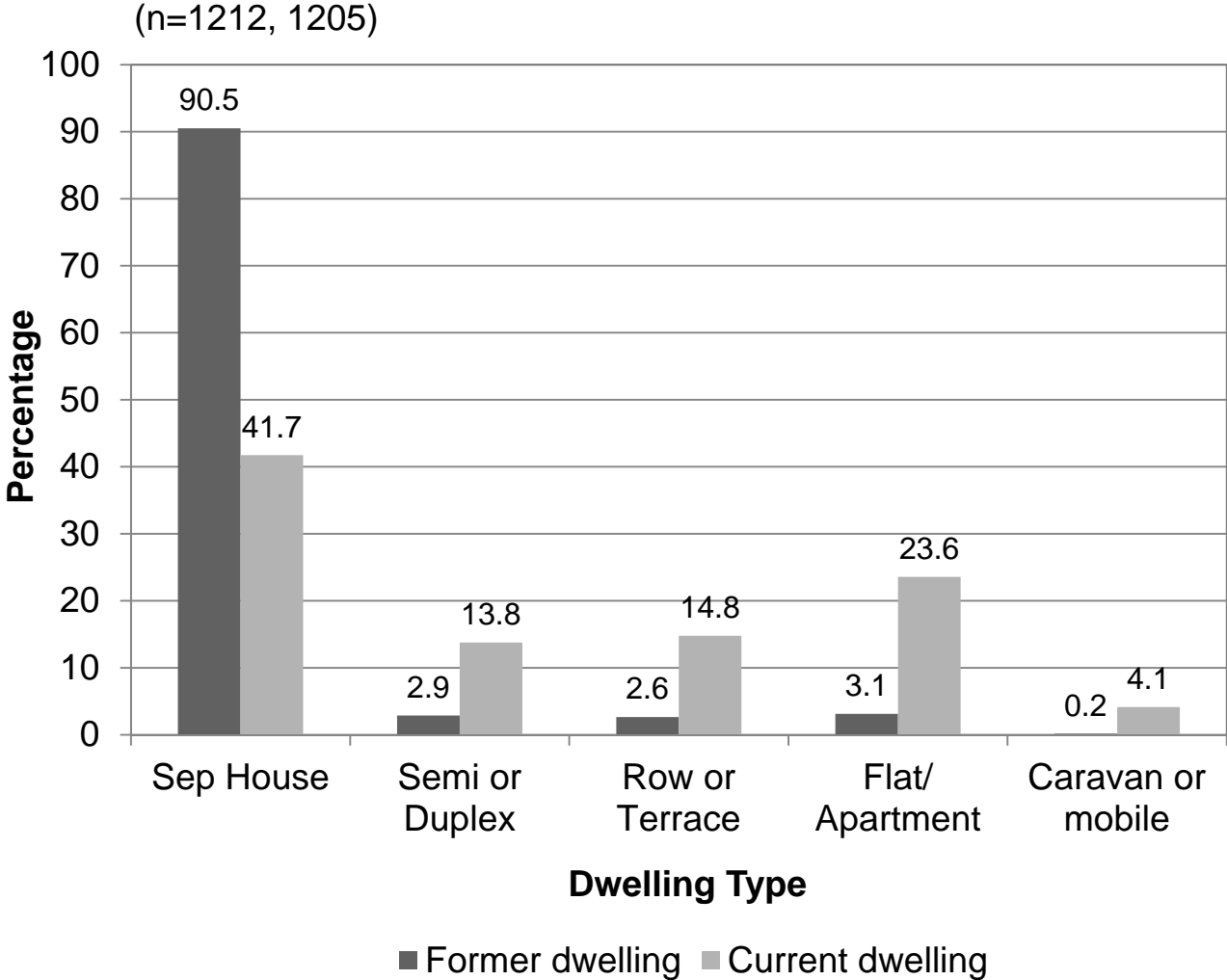
## Figure 2: Change in Development Type



**Before/After:**  
**28% less** were in the general community  
**22% more** were in retirement villages  
**5% more** were in seniors housing

# Survey Results

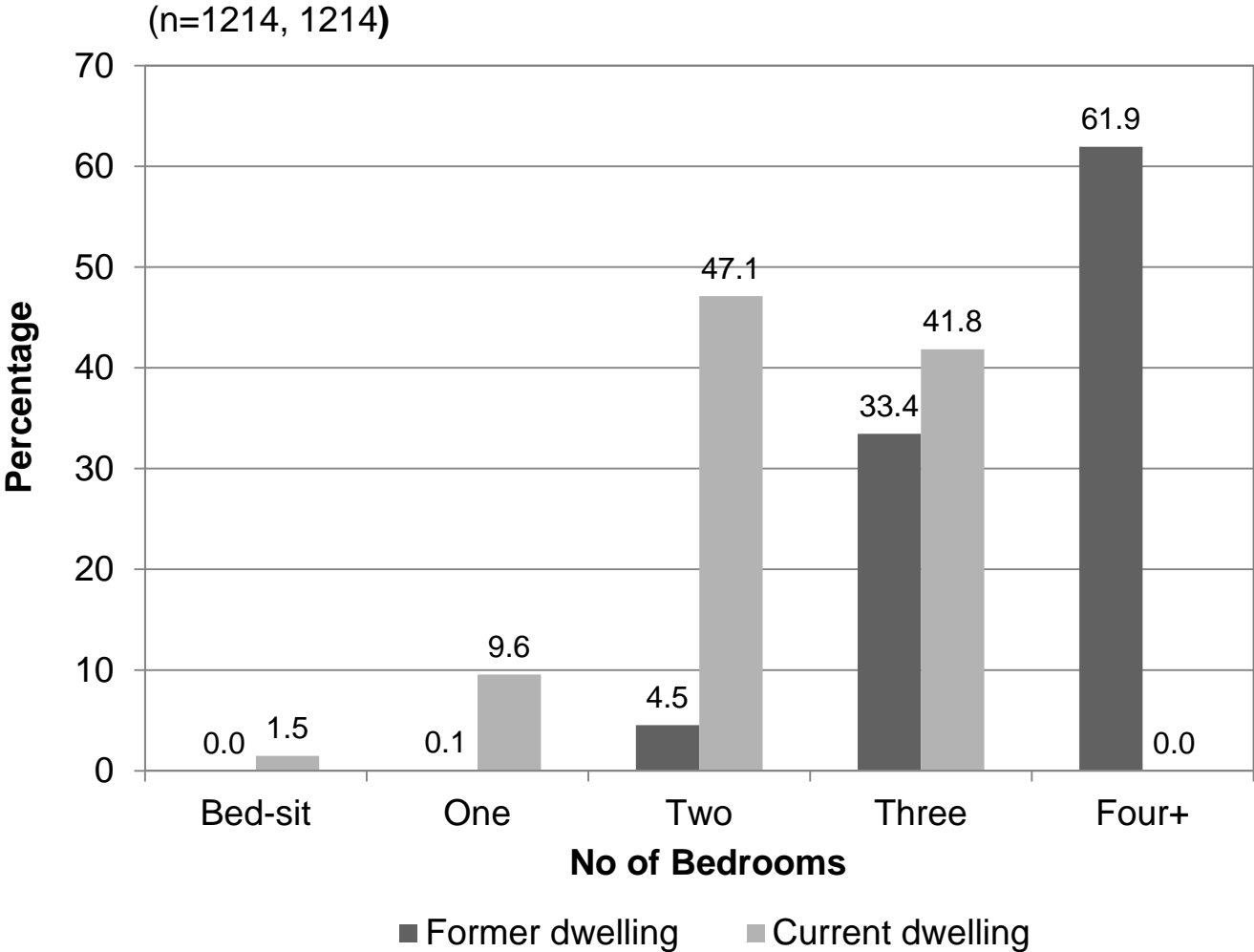
## Figure 1: Change in Dwelling Type – Downsizers



**Before/After:**  
**48% less** were in separate houses  
**21% more** were in flats/apartments  
**12% more** were in row/terrace houses  
**11% more** were in semi/duplex houses

# Survey Results

## Figure 2: Change in No of Bedrooms

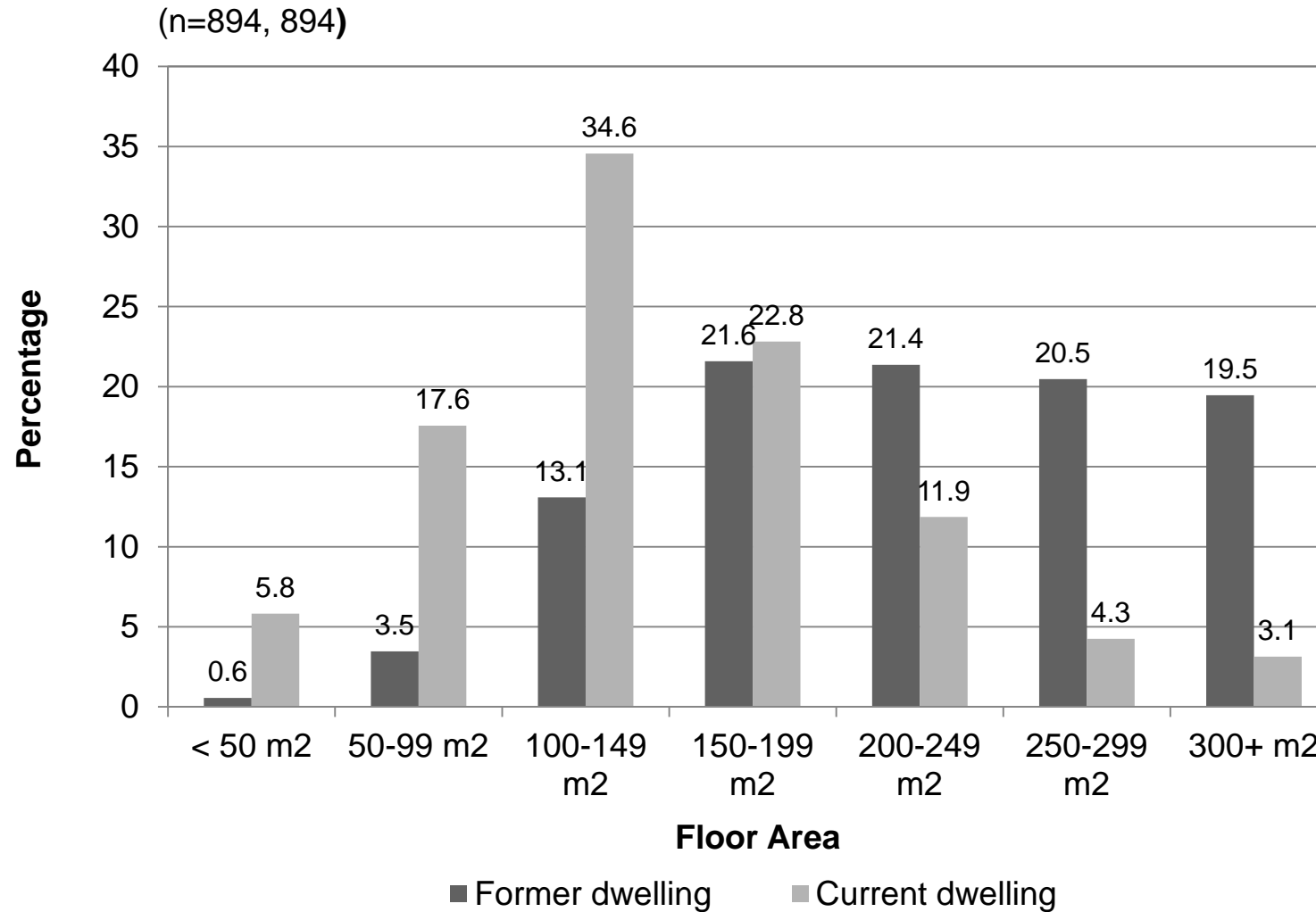


**Before/After:**  
**100% less** were in 4+ bedrooms  
**8% more** were in 3 bedrooms  
**43% more** were in 2 bedrooms  
**10% more** were in 1 bedroom

# Survey Results

## Figure 2: Change in Floor Area of Dwelling

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# Factors Leading to Downsizing: Literature

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- **Economic Factors:**
  - **Reduction of housing consumption:** Use of accumulated wealth to finance current and anticipated future non-housing consumption (Banks et al, 2007; Faulkner, 2007)
  - **Release of capital:** as a buffer against future health expenditure (Woodbridge, 2003)
    - Reluctance to draw on housing wealth unless non-housing wealth close to exhausted (Faulkner, 2007)
  - **Wealth:** impacts housing choices, influenced by demographic shocks (Feinstein & McFadden, 1989)
  - **Other economic factors:** volatile housing markets, transitions to age pension, moving costs (including stamp duty, legal costs, real estate fees (Lin, 2005; Sane, 2010)



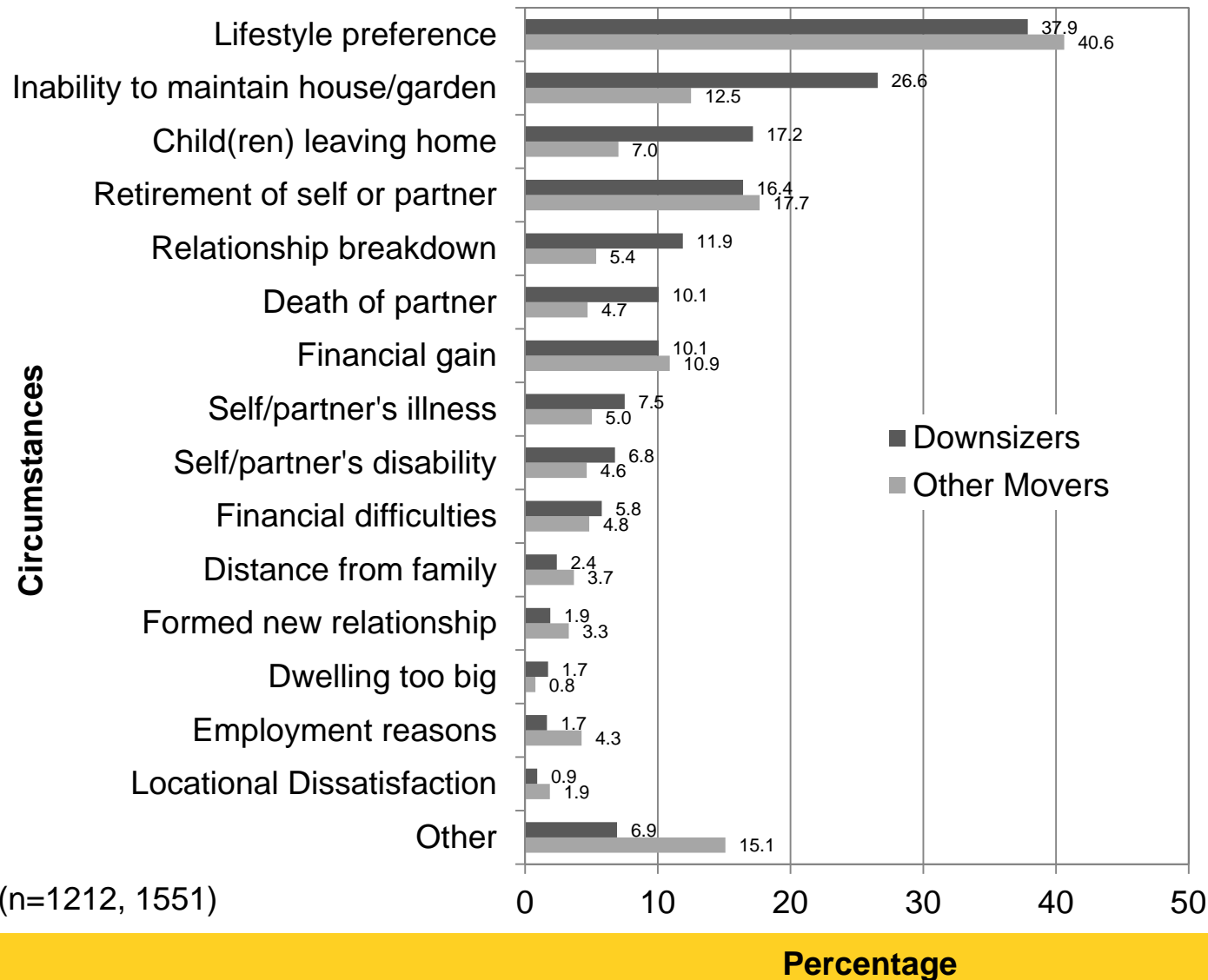
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# Factors Leading to Downsizing: Literature

- **Non-Economic Factors:**
  - **Negative shocks:** divorce, ill health, death of spouse (Beal, 2001; Beer et al, 2006; Calvo et al, 2009; Venti & Wise, 2004)
  - **Changes in household composition:** children leaving home, death of a spouse, divorce, marriage/remarriage (Banks et al, 2007; Painter & Lee, 2009; Ermish & Jenkins, 1999; Venti & Wise, 1989; 1990; 2004; Feinstein & McFadden, 1989; Bonnet et al, 2010; Heiss et al, 2005; Wood et al, 2008)
  - **Health Concerns:** and associated difficulty maintaining house or yard, need to move closer to medical services, family or friends, or live in a more age-friendly home (Clark & Duerloo, 2006; Painter & Lee, 2009; Ostrovsky, 2002)
  - **Change in employment status:** retirement (mobility not necessarily downsizing) (Ermish & Jenkins, 1999; Banks et al 2007)
  - **Family Reasons:** social pressure, closer proximity, intergenerational living (Luborsky et al 2011, Painter & Lee, 2009; Banks et al, 2007)

# Survey Results

## Figure 5: Circumstances Contributing to Downsizing



**Question;**  
Which of the following circumstances contributed to moving from your former home?  
(multiple answers)

# Interviewee Perspectives on Circumstances

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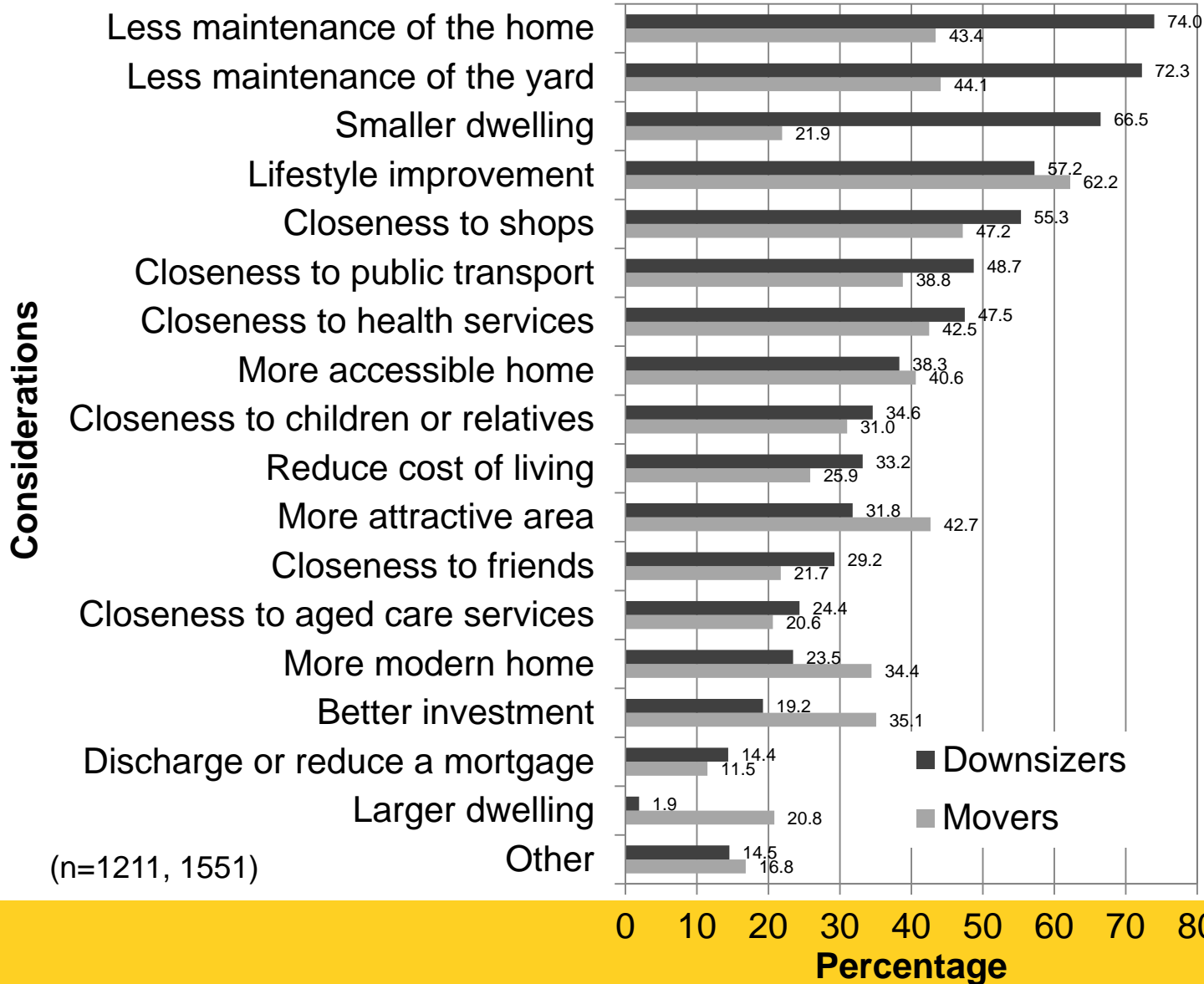
- *“It was eight years ago that we moved and we didn't need such a big house and when we're travelling a lot you've got a responsibility of a house whereas in an apartment you just close your front door and go.” (Male, 65-69, couple, owner, urban, NSW)*
- *“[We moved] because of my husband's illness and we were on a corner plot with lawn everywhere. A backyard, fruit trees and all that sort of thing, it was too much for him.” (Female, 80-84, single, lease, urban, SA)*
- *“We had a split-level house and the downstairs had the kids' bedrooms and bathroom. They'd both moved out and so...we weren't using a third of the house... They only came home occasionally.” (Male/Female, 65-69, couple, owner, regional, NSW)*
- *“So when business was closed and I retired, there was no real reason to keep me in that area from a business perspective.” (Male, 60-64, couple, own, urban, SA)*



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# Survey Results

## Figure 6: Considerations in Moving to Current Home

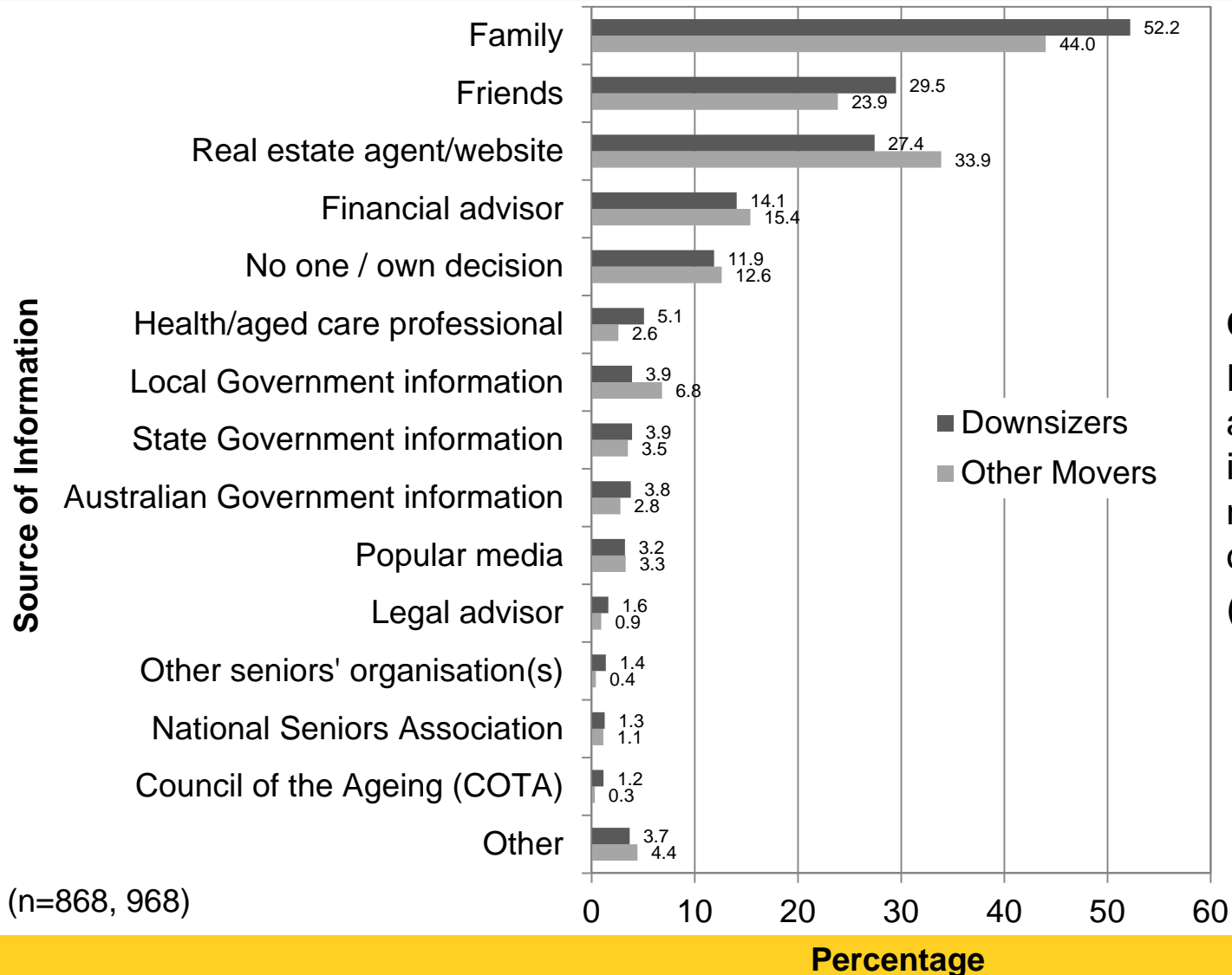


### Question:

When moving from your former to your current home, how important were each of the following considerations?  
(multiple answers)

# Survey Results

## Figure 7: Information and Advice Sought in Downsizing



**Question:**  
Did you seek advice or information about moving from any of the following?  
(multiple answers)

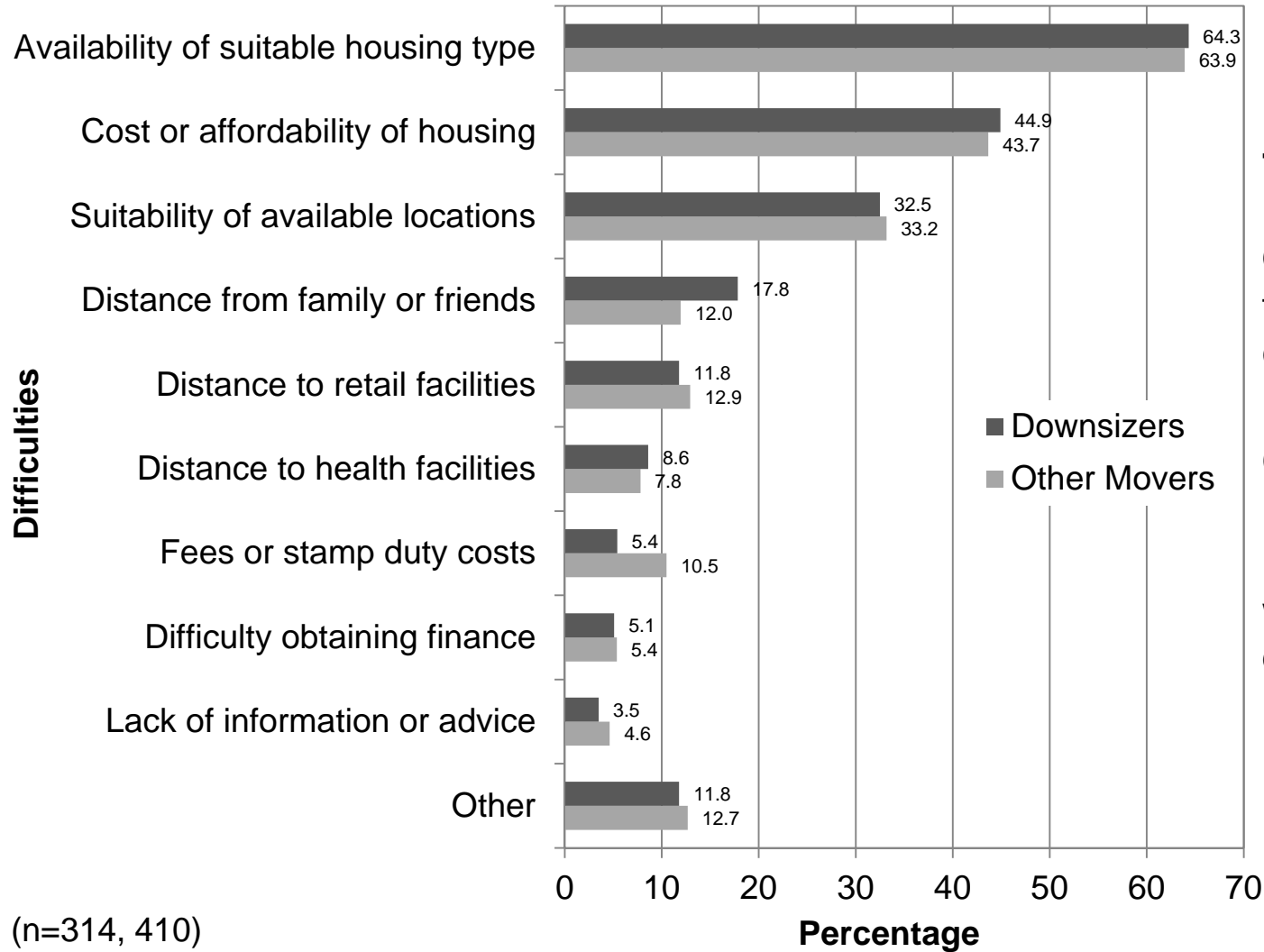
# Interviewee Perspectives on Information and Advice

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- *I looked a lot on the website. My brother was also greatly involved in helping me. ...He kept an eye on the website as well and did a lot of phoning around for me and had a look at a couple...when I couldn't, because he knows what I needed” (Female, 60-64, single, renter, urban, NSW)*
- *“We had very good friends who were living quite near to us at that time. We discussed our plans to move. We respected their advice. They were very wise people. ...I don't think we sought advice from anyone else.” (Male, 70-74, couple, owner, urban, NSW)*
- *“We...paid a consultant, and they've come up with options for us... They have obviously made a wide study of what's available in South Australia. We were referred to them because [my wife's] brother and sister and sister-in-law were clients, and they were delighted with what service they got.” (Male/Female, 85+, couple, owner, urban, SA)*

# Survey Results

## Figure 8: Difficulties Encountered in Downsizing



**74% of both Downsizees and Other Movers found downsizing easy or fairly easy**

**Question;**  
If it was *difficult* or *very difficult*, what were the main difficulties?  
(multiple answers)



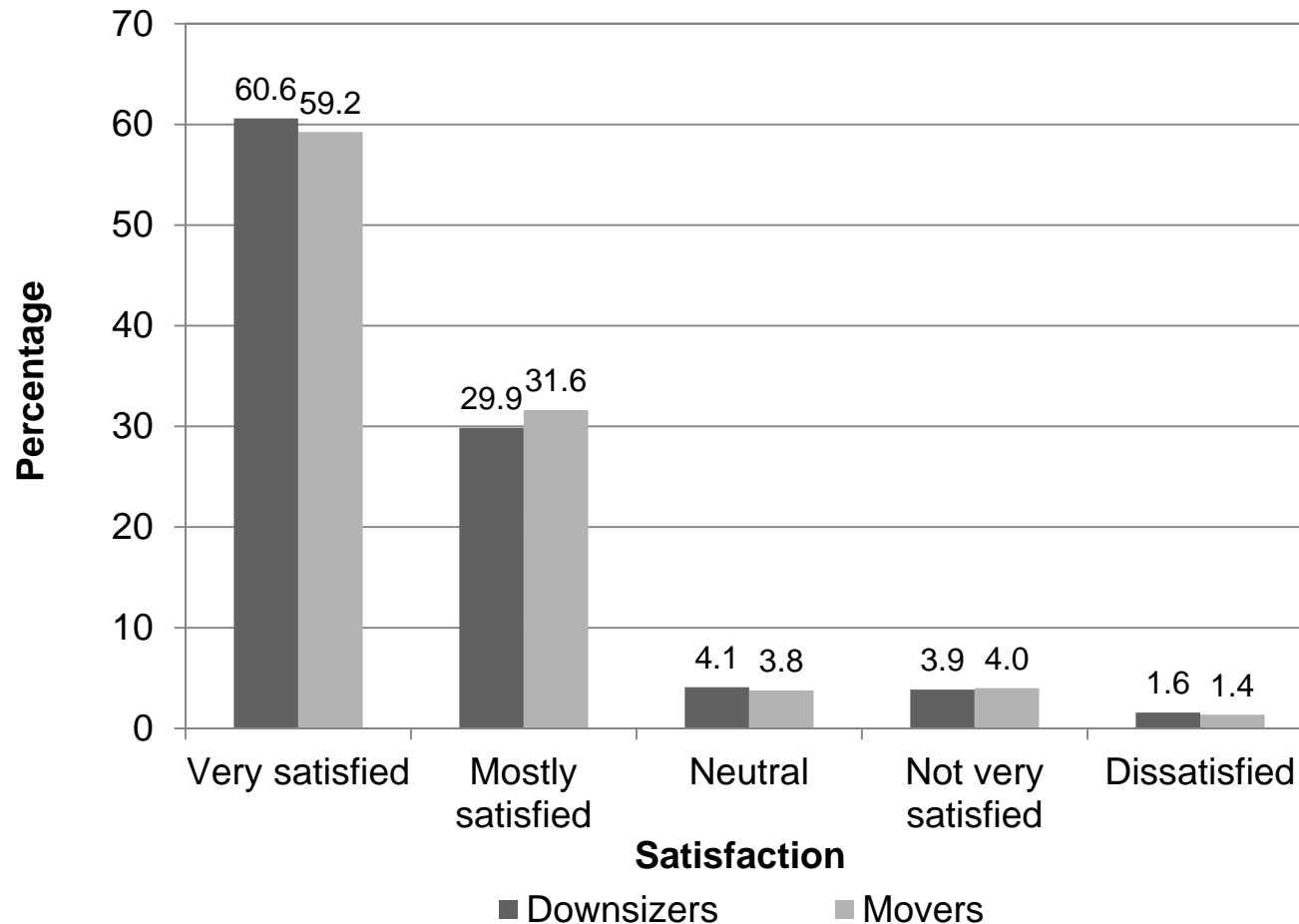
# Interviewee Perspectives on Difficulties in Downsizing

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- *“We're not alone in saying, well where's this suitable smaller place? ... That type of dwelling... that's being built within retirement villages where they're two or three bedrooms; they're really quite well set up and... well designed. But their problem is, that's where they are, in a retirement village often on edges of suburbs.”*  
(Female, 60-64, couple, owner, urban, VIC)
- *“There are other expenses in selling houses – [Stamp] Duty, Agent's fees and so on - and then removal fees. ... I paid a monthly fee... while the furniture was in storage. So, that was another cost... I wasn't really prepared for.”* (Male, 60-64, single, owner, regional, NSW)
- *“... We'd been looking for about 10 years... for... a block about this size, a dwelling rather like this that we could buy on our own. We couldn't find such a thing. Doesn't exist. We looked as far up the central coast. So... what this retirement village offers was the next best thing.”* (Male/Female, 75-79, couple, lease, urban, NSW)

# Survey Results

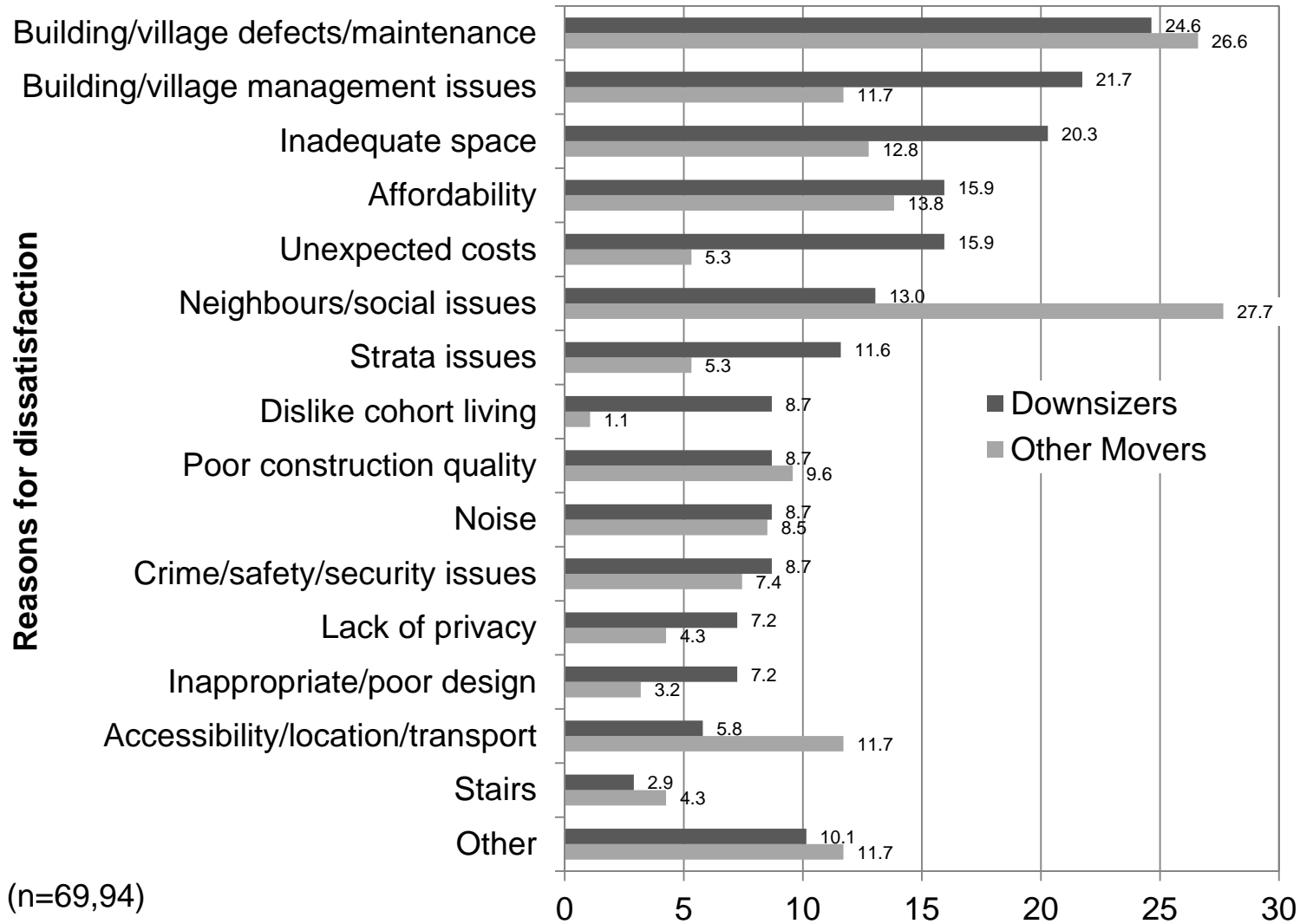
## Figure 9: Satisfaction with the Dwelling



**91% of downsizers either mostly satisfied or very satisfied**

# Survey Results

## Figure 10: Reasons for Dissatisfaction with Current Home



(n=69,94)

(Multiple answer question)

Percentage



# Conclusions

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- One quarter of all older Australians (65+) moved within a 5 year intercensus period (2006-2011) (ABS, 2011 Custom Tables)
- 43 percent of survey respondents who had moved since turning 50 years of age had downsized
- The majority (70%) remained in the general community, and less than a quarter (22%) downsized into retirement villages
- Most moved to detached houses (42%), a quarter (24%) into flat/apartments and (29%) into attached forms of housing
- Most moved from 3 and 4 bedroom to 2 and 3 bedroom dwellings
- The main reasons they downsized was for lifestyle change; to reduce maintenance; children leaving home and retirement
- Less emphasis on financial motivations than in much of the international literature
- Sought housing that was: low maintenance, smaller (but not too small), well located to shops, public transport and health services



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# Conclusions

- Relied primarily on the advice of family, friends and real estate agents/websites, rather than professionals, government sources, or seniors organisations
- Difficulties usually related to unavailability of suitable housing types, affordability or unsuitability of available locations.
- Most were satisfied with the move
- Dissatisfaction was mostly with building/village defects and/or maintenance or management issues; inadequate space, or affordability/unforeseen costs associated with village/multi-unit living.
- Final stages of the research focuses on barriers to downsizing and policy implications.
- Final Report due at end of February
- Will be published on the AHURI website: [www.ahuri.edu.au](http://www.ahuri.edu.au)
- **Note: Full references will be included in the written paper**